

ITEM NO. _____

MTG. DATE August 14, 2018

CITY COUNCIL MEETING
AGENDA ITEM COMMENTARY

ITEM TITLE: AN ORDINANCE PERTAINING TO FINANCE AND TAXATION AMENDING SECTION 10-19-1904 (PURPOSE OF REVENUES), OF ARTICLE 10-19 (2016 CAPITAL IMPROVEMENT SALES TAX ORDINANCE), CHAPTER 10, LAWTON CITY CODE, 2015, BY DELETING THE PURPOSE NEW AND ALTERNATE WATER RESOURCE IMPROVEMENTS, RETAINING THE PURPOSE EXISTING WATER RESOURCE IMPROVEMENTS, AND ADDING A NEW PURPOSE FOR INFRASTRUCTURE IMPROVEMENTS IN FURTHERANCE OF INDUSTRIAL DEVELOPMENT AND IMPROVEMENTS TO INFORMATION TECHNOLOGY SYSTEMS TO THE STATED PURPOSES OF THE REVENUES DERIVED FROM SAID SALES TAX; DECLARING THAT UNDER THE AMENDED PURPOSES REVENUES WILL CONTINUE TO BE USED FOR IMPROVEMENTS TO EXISTING WATER SOURCES, SEWER REHABILITATION AND EXPANSION PROJECTS, STREET RECONSTRUCTION AND OVERLAY PROJECTS, LANDFILL CELL EXPANSION PROJECTS, AND LAWTON AREA TRANSIT SYSTEM IMPROVEMENTS, ALL AS PROVIDED IN THE CURRENT ORDINANCE, ALONG WITH THE NEW PURPOSES OF INFRASTRUCTURE IMPROVEMENTS IN FURTHERANCE OF INDUSTRIAL DEVELOPMENT AND IMPROVEMENTS TO INFORMATION TECHNOLOGY SYSTEMS; PROVIDING THAT THE TAX SHALL REMAIN AT THE SAME TAX RATE (WITH NO INCREASE IN LAWTON SALES TAXES) AND BE LIMITED TO THE SAME PERIOD COMMENCING JANUARY 1, 2016, AND TERMINATING DECEMBER 31, 2025 AS SPECIFIED IN THE CURRENT ORDINANCE; MAKING THE TAX CUMULATIVE; PROVIDING THAT THE GOVERNING BODY MAY MAKE ADMINISTRATIVE AND TECHNICAL CHANGES WHICH DO NOT AFFECT THE TAX RATE OR PERIOD OF THE TAX; REQUIRING APPROVAL OF THIS ORDINANCE BY A MAJORITY OF THE REGISTERED, QUALIFIED VOTERS OF THE CITY VOTING AT AN ELECTION TO BE HELD FOR SUCH PURPOSE AS PROVIDED BY LAW; PROVIDING FOR SEVERABILITY OF THE PROVISIONS OF THIS ORDINANCE; PROVIDING FOR CONTINUATION OF THIS ORDINANCE IN THE EVENT THE PURPOSE OF REVENUE PROVISION IS DECLARED INVALID; PROVIDING FOR AN EFFECTIVE DATE; AND REQUIRING THE FULL TEXT TO BE PUBLISHED.

INITIATOR: Council member Davis

STAFF INFORMATION SOURCE: City Manager and City Attorney

BACKGROUND: The proposed amendment to the 2016 Sales Tax Ordinance adds to the purposes of the capital improvement projects in the Ordinance to address the City's need to increase its opportunities to attract/expand industrial development and upgrade/provide increased protection of its information technology systems. At the same time, the City's need to address drought conditions has lessened since passage of the original Ordinance and improvements to recycle reuse water have become impractical due to high costs. Improvements to water resources in the original Ordinance are, therefore, proposed to be modified by focusing only on improvements to water resources existing on the effective date of this amending Ordinance, including water resources that have been developed under the first two years of the original Ordinance's purposes.

The proposed Ordinance does not increase the rate of the sales tax and does not extend the time period set in the original Ordinance to collect the tax. There will be no increase in Lawton sales taxes.

It is anticipated that the Council will call a special election on January 8th, 2019, to place the question of amending the 2016 Sales Tax Ordinance before the electorate. For the purpose of informing the public, the full text of the ordinance will be published in the Lawton Constitution.

EXHIBITS: Ordinance No. 18-_____

KEY ISSUES: Increase Industrial Development Opportunities and Upgrade/Provide Increased Protection of Information Technology Systems

FUNDING SOURCE: General Fund – Election Expenses

RECOMMENDED COUNCIL ACTION: Approve Ordinance No. 18-_____, waive the reading of the Ordinance, and read the title only.